

**Red Clay Community Financial Review Committee**  
**Monday, December 10, 2012**

**Meeting Minutes:**

The Community Financial Review Committee met on Monday, December 10, 2012 at 6:30 PM in the Brandywine Springs School Teachers Lounge.

**Members in Attendance:**

Jack Buckley – Community Member  
William Doolittle – Community Member  
Steven Fackenthall – RCEA Member  
Jill Floore – Red Clay Chief Financial Officer  
Victoria Kent – Community Member  
Larry Miller – Community Member  
Kenneth Rivera – Board Member

**Others in Attendance**

Kim Williams – Community Member  
Mary Norris – Assistant Superintendent, Red Clay

**I. Introduction and Opening Comments:**

Mr. Miller opened the meeting welcoming everyone and introduced our guest, Mary Norris who will give a presentation on Special Education IDEA funding.

**II. IDEA Presentation**

Ms. Norris distributed information regarding IDEA funding supporting needs of students with disabilities. The programs are guided by law: Office of Civil Rights, American Disability Act, and Individuals with Disabilities Education Act (IDEA). With our service delivery model, we need to make our resources stretch and be responsible to our community. There are factors driving the funding. What funding is available to support the needs of students, who are the special education and services for students, how are the expenditures distributed. Ms. Norris and her team identify the students that we serve.

What truly drives the funding are the needs of the students and their education plans. There are 3 major levels of funding. The first is state funding. There are a number of checks and balances for funding. The September 30<sup>th</sup> count is for data collection on number of students. Not every student enrolled gets to be counted. Because of truancy or other circumstances they can be excluded. The 30<sup>th</sup> count drives the funding that we receive from the state. On 2/11/11 a law was passed for needs based funding. Units are allocated based on specific intensity or level of service for students. The needs for staff support or for assistive technology, extended school services, related services are also part of the determination and unit count formula.

In unit count, they can be basic, complex or intense. The units follow the students but resources can be distributed across schools. For example, therapists for speech, occupational and physical services and psychologists can be serving several schools.

Sometimes we have students who have needs beyond our resources. We have the responsibility and opportunity to go before the State for additional support. We provide information on what we've done and what we feel is needed beyond what the district could provide. The State has a list of approved schools, some as far away as Florida. If the ICT committee approves the request and approves the school itself where the student can be served, 70% of the cost comes from the state and 30% comes from local funding. Students can also be served in state or county programs provided by other school districts such as the Delaware Autistic Program in the Christina School District. Sending districts are billed tuition for the costs of attendance in the program.

Federal funding is provided through the consolidated grant application. Our 2011/2012 version is online and a public document. We have obligations for Child Find, the program for 3 years and up. We work with daycares and have preliminary screening. We give those students related services and some instructional support. It is a team process that includes the parent, a general ed educator and a special ed educator. We also have a group called Delaware Child Watch that identifies children through other agencies. There is also a Child Find group that works with children already enrolled in our schools who have trouble somewhere along the way. They may do well in elementary but have trouble further along. Mr. Doolittle stated that Delaware is a birth mandate state which means the district has responsibilities to the child from birth. Ms. Williams asked how we let parents know these programs are available. Ms. Norris stated we work with the State Department and Child Find who work with daycares and head start programs. Ms. Williams asked if the numbers were going up. Ms. Norris did not have that information at the meeting but will follow up.

We have a liaison with the Delaware Autistic Program (DAP). In the next 5 years, 1 out of 55 males will be identified with some level of autism. In addition to DAP we are working to build capacity within the district to serve the growing number of students with autism. We are training our staff through professional development to work with children they may not have worked with before. We have a pilot autism program at RPLC that is K-2. One of the major limitations is facility constraints, space and staffing resources. We would like to grow the program pre-K through 3<sup>rd</sup> grade. Mr. Doolittle stated this is a state-wide initiative. Ms. Williams asked about the Christina School District school. Yes, it is still in place and Ms. Floore stated Brandywine has a program totally in-house K-12. Ms. Williams asked if we collaborate with other districts. Ms. Norris stated yes districts across New Castle County and the state have shared discussions.

Ms. Floore stated there is a financial impact in local per pupil expenditures if special education students are included in the overall district expenditures. We have the Meadowood program but those costs are not included as they are allocated under a different division as a special school. Brandywine does not differentiate and those

expenses are included in their overall district expenses. While the two districts can serve similar populations, based on the inclusion or exclusion of data, it can show a widely disparate amount spent per pupil. There is additional financial impact to this because that local per pupil is what is used to pay bills for out of district choice and charter students so there can actually be a financial penalty to how expenditures are counted. Williams stated that Meadowood students work with Forest Oak students. Meadowood earns their units and Forest Oak earns theirs independently. Ms. Floore stated that was a good example because each school's expenditures are counted separately and not as one school.

Mr. Fackenfall asked if because the students are mixed, the funding is mixed. Ms. Floore stated no they are separated almost as a virtual school for the purpose of counting students and tracking expenditures. Ms. Floore stated a large and unintended problem came about with the K-3 needs based unit because now basic students and expenditures are counted in the unit and last year's charter bill increased by \$500,000 because the unit cost was higher even though there were no more special education students attending charter schools than previously. Mr. Doolittle stated that we get fewer units for K-3 for related services where many including Ms. Norris feel it is most needed.

In addition to 10 months, our EDs (educational diagnosticians) will review the IEPs in the spring to determine extended school for those students who require summer support. The initial model for the ICT program, Itracker, was implemented to monitor students. We also have parentally placed students for example, speech. These are children attending private school who require special services. Also, for children who go to a private school in Delaware but who live outside state of Delaware, we are still required to provide special education services those students. That is part of the State regulations. There are limited numbers of children who use this program. Ms. Williams asked if we could bill the other state back. Ms. Norris stated we could not as we do with tuition billing to other Delaware districts. Ms. Norris praised her staff and how they work closely with the parents. When compiling the grant application, we do work with the private schools on what they need and how we have to support them. Other than speech, we cannot provide special education for private school students. We invite those students to be enrolled back into our public schools for those services. Mr. Doolittle stated that private schools are eligible for IDEA funds. They don't use them as it is very involved process.

We have the program for behavior incentives. We have RTI tier level supports. We have state support to bring programs to the teachers in our schools. For transition monitoring. We have secondary level student success plans for graduation for our students and employment opportunities for those students. There is also a requirement from DOE that we monitor the progress of a child housed out of state. The most important thing right now having parents, staff or students ask for a meeting if anyone feels the student is not meeting their success plan, not just at the yearly review.

504 is its own law. It does not come with a federal funding source. The requirements for students with 504 are increasing in their complexity and services. Mr. Fackenthall asked

if students with a 504 plan in his classroom receive other services outside his classroom. Ms. Norris stated yes, there are several components to the 504 law. Ms. Williams asked if a student is released from the IEP, is the 504 was a safety net for the student. Ms. Norris stated the biggest step is making teachers and staff aware of the 504 laws and plans. These may have some comprehensive information regarding the services required for the student. Some times the law changes so quickly that school districts could not comply fast enough, i.e. educate our staff fast enough.

Ms. Norris talked briefly about legal matters. Some parents bring legal counsel to the IEP meetings and we have our own legal counsel to advise during these meetings and discussions. Ms. Kent asked if they were counselors or attorneys. Ms. Norris stated that we do have mediation with counselors but we do have attorney advisors as well.

Ms. Floore showed the Committee the consolidated grant application for federal funds. There are targets and measures provided in the application and it is a lengthy document. IDEA is funded by line item. In 2012 the funds were about \$4.1 million and in 2013 they are \$4.28 million. In addition to those funds, you can see on Page 2 of the monthly reports, Line 58 is special services and that budget is \$1.1 million out of local funds. There are no state special education funds other than the units. We earn more units for special needs children because the ratios of the teacher/student classes are smaller. Mr. Doolittle clarified that local funds could be referendum funds or tuition funds. Ms. Floore stated yes that is always the case of tuition funds. When you have a federal mandate and voters could say no the tuition funds allow a district to meet regulations and comply with the law. The last two years have been a great learning curve with needs based funding.

Mr. Fackenthall asked if a special education student moves into the district or is identified after 30<sup>th</sup> count, do we earn funding for that student? Ms. Floore stated no, based on the rules of September 30 count, regardless of regular or special education, we still provide service for that student for all of their needs but we have to use the funds we have earned from 30<sup>th</sup> count and nothing more or use local funding.

Ms. Norris stated that in the last 3 weeks we have children who have moved here from out of state with needs and an IEP in place. We now don't have a unit for them and our related services funds have been dedicated. But we need to serve those students through our local tuition funds. Ms. Williams asked if the IEPs are done before the 30<sup>th</sup> count. Yes, we have a system in place. Unique alternative placement can be done throughout the year. Ms. Kent asked if there was a built in cushion. Ms. Floore stated that she built in a cushion within our budget but she cannot set a reserve so high and raise the tax arbitrarily. Mr. Doolittle stated there is a state cushion but it has been utilized for a number of different sources. Mr. Miller asked who funds the litigation. Ms. Floore stated it falls on the district and we fund litigation with our local funds.

Ms. Norris biggest hope for growth is in student placement and dropout rates as well as students meeting standards.

Mr. Miller thanked Ms. Norris for her presentation. There were no further questions.

### **III. MINUTES**

After a review of the October meeting minutes, Mr. Doolittle moved to accept them and Mr. Rivera seconded.

### **IV. MONTHLY REPORTS**

Ms. Floore presented the monthly reports. At this time of the year, we would expect to be at 41.6%. The reports show expended at 38% and expended and encumbered at 41. %. We are on target and slightly under what we were at last year.

Total Revenues are at 84%, compared to last year at 82%. Local revenue is less than last year. That is due to the timing of the tax receipts. We will get another deposit in December. Mr. Buckley asked about choice expenses. Yes, that is net. Charter and choice payments are included.

The largest outstanding revenue is state salaries which will be finalized in June so we will expect to stay close to where we are currently until then.

On expenditures, we are moving along well. One school is in single digits, North Star. They had a large carryover budget and a new principal. We are working with her on using that funding. On Page 2 the high schools encumbered is for sports teams and busing.

Special education shows a half million over. We encumbered through the summer for those related services in error and will correct. We will change the encumbrances to take us through the school year.

Special services is 102% - it's the same encumbrance situation for related services. Ms. Williams asked why Cab Calloway and AIHS are higher than  $\frac{3}{4}$  of their budget. Cab started out the year with a large expenditure for 2 computer labs. Similarly AIHS encumbered \$87,000 to do more in the beginning of the year.

Ms. Williams asked about legal services are higher than last year. Ms. Floore stated we have new legal team and we are still using the former team for ongoing cases. We can have a presentation on legal services if the Committee would like. Mr. Doolittle stated that special education is getting more litigious as well. Ms. Floore stated that employment takes about 50% of the cost/cases.

Ms. Floore asked to discuss Line 69 maintenance. They have spent 45% but they have encumbered 92%. They have planned out their entire year and left some small room for unknown expenditures. This is exactly how it should be and an ideal budget scenario.

They have maintenance agreements and purchase orders for maintenance supplies. Everything from light bulbs to rock salt keeping a portion aside for other instances.

Line 74 State Stabilization is 119% encumbered and 50% spent. We feel this is a salary coding issue and we are looking at this. Mr. Buckley noted Line 66 local salaries. We are comparable to where we were last year. Ms. Kent asked about the pay raise. Ms. Floore stated that the 2% increases were negotiation and budgeted in.

Federal programs with a 12/31/12 end date you have 3 months to pay through those encumbrances through the end of March. Debbie Roberts will come to us at that time and review all federal programs. Ms. Williams asked about the Off The Streets program. Ms. Floore explained that they have extended that end date.

Page 6 tuition. Looking at tuition we have received 80% of tuition funds in tax receipts. But on Page 1 we have 82% of our tax receipts. The difference is the senior tax rebate. The state gives us the rebate and they haven't made their payment yet.

Minor cap it 0. It's 2 year funding. We are finishing up the older budget and waiting for the state to load the current year. The district wide services budget will be adjusted for final budget.

Last page on the district wide expenditures the only area we are over is in audits. Barbacane is working on the audit. We will speak to this at a future meeting to see if we want to do another audit. The lease is over February 2013.

Mr. Miller called for a vote to accept the report. Mr. Fackenthall made the motion to accept the vote and Ms. Kent seconded. Vote carried.

## **V. Other Items**

Ms. Williams would like to be a member of the committee in her new role. Mr. Doolittle motioned to ask the Board to add another community member. Mr. Fackenthall seconded. The vote carried unanimously.

Ms. Floore distributed an article on sequestration and the fiscal cliff and what it means to Delaware. For us it means the consolidated grant could have an 8-10% cut. DSBA were encouraging districts to contact their legislators and several districts passed resolutions. We already have the funding. It will not start on January 1<sup>st</sup>.but could impact us in the future. If and/or when we know there is a cut coming we would have to start making cuts in May of 2013 as this is the deadline for teacher contract renewals.

Mr. Doolittle asked Ms. Floore about the upcoming DOE budget. Ms. Floore stated it was a presentation to OMB in anticipation of the Governor's recommended budget. The agencies were asked to give 1% budgets but it doesn't mean it will be funded and is now unlikely given the fiscal indicators. Mr. Doolittle stated that there was money included for districts for transportation and technology. Minor capital money has come down.

**VII. Public comments**

There were no public comments at this time.

**VIII. Announcements**

The next CFRC meeting will be held Wednesday, January 9, 2013 in the Brandywine Springs Teachers' Lounge at 6:30 PM with a presentation from Ted Ammann on Major Capital.

**IX. ADJOURNMENT**

The meeting adjourned at 8:22 PM.

Respectfully Submitted,

Laura Palombo

Recording Secretary